

M e m o r a n d u m

Date : February 27, 1998

To : Jananne Sharpless, Presiding Member
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File : MEMO002.WPD

From : California Energy Commission - Richard K. Buell
1516 Ninth Street Siting Project Manager
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Subject : High Desert Power Project (97-AFC-1) Status Report

In staff's "Issues Identification Report", December 31, 1997, we identified "significant" issues in six areas regarding the certification of the High Desert Power Project. The purpose of this memorandum is to provide you with an update on the project schedule and the issues identified in staff's report.

Project Schedule: Attachment A contains staff's revised schedule for the project through May 15, 1998. This schedule reflects the events and dates presented in the Committee's January 29, 1998 Scheduling Order and other new information that has become available since the order was issued. The applicant has provided adequate responses to staff's data requests or has identified acceptable alternative due dates, with minor exceptions. Attachment B shows the status of all outstanding data requests and where additional or follow-up data requests have been issued. We still expect to file our Preliminary Staff Assessment (PSA) on May 15, 1998.

Air Quality: On Wednesday January 21, 1998, staff members of the Energy Commission, Air Resources Board (ARB) and U.S. Environmental Protection Agency (EPA) met at the EPA Region IX office in San Francisco. The Mojave Desert Air Quality Management District staff participated via a conference call. The purposes of the meeting were to (1) brief EPA on the potential air quality regulatory issues associated with licensing power plants in a restructured electricity industry; (2) discuss best available control technology (BACT) and lowest achievable emission rate (LAER) issues as they may apply, in general, to new power plant proposals; and (3) discuss specific regulatory issues associated with the High Desert Power Project. A summary of the meeting was docketed on February 2, 1998. Staff believes that the air regulatory agencies are making reasonable progress in the review of the High Desert Power Project, although the agencies are still awaiting information on the applicant's emission offset proposal.

Land Use: The applicant has provided requested information regarding its application to the Federal Aviation Administration (FAA). On February 19, 1998, the applicant docketed a letter from Mickeal R. Agibi, representing the FAA, which indicated that the FAA does not object to the proposed construction provided conditions outlined in the letter are met. Staff has raised additional concerns regarding potential aviation

hazards associated with thermal plumes from the gas turbine and cooling tower exhausts. At the staff sponsored workshop on February 25, 1998, the applicant agreed to investigate the issue regarding the thermal plume and provide additional information. We will coordinate our review of aviation hazards with FAA and the California Department of Transportation-Division of Aeronautics, and the Southern California International Airport.

Transmission System Engineering: On February 11, 1998, staff issued data requests to the applicant requesting information on the expected schedule for delivery of the interconnection study, proposed scope of the interconnection study, and interim study results (data requests numbers 108 through 110). The applicant informed staff on February 25, 1998, that the applicant and Southern California Edison (Edison) had signed an agreement on February 17, 1998 for Edison to conduct the interconnection study. The dates shown in the schedule in Attachment A are based on information received from the applicant and Edison in early January 1998, and staff is not confident that these dates necessarily represent the agreement reached between the applicant and Edison. Under separate cover on February 27, 1998, staff will file its brief on transmission.

Visual Resources: The applicant responded to all of staff data requests. However, the information provided has generated some additional follow-up questions. On February 27, 1998, staff issued additional data requests (i.e., numbers 111 through 116).

Water Resources: Staff is still awaiting information on the proposed wells which will provide a backup water supply for the project (see Attachment B, data requests # 43 through 45, 68, and 89 through 94). Staff is investigating alternative cooling technologies and has requested additional information from the applicant regarding these alternative technologies. These alternative cooling technologies may avoid or lessen the project's impacts on ground water in the Mojave ground water basin.

Policy Issues: Under separate cover on February 27, 1998, staff will file its brief on decommissioning/closure, and multiple project configuration policy issues associated with the High Desert Power Project.

RKB:rkb

Attachments

cc:	Proof of Service	Ray Menebroker, ARB
	Chuck Fryxell, APCO Mojave Desert	Robert G. Zeller, Mojave Desert AQMD
	Matt Haber, U.S. EPA	Dan Gallagher, VVWRD
	Charlie Kraus, VVWD	Norman Caouette, MWA
	Mark Zeiring, CPUC	Manuel Alvarez, Edison
	Rebecca Jones, CDFG	

ATTACHMENT A
Schedule For
High Desert Power Project (97-AFC-1)

DATE	DAYS	EVENT
16-Jan-98	44	Applicant submitted information re: airport restrictions
16-Jan-98	44	Applicant requested transmission interconnection from Edison
16-Jan-98	44	Data request responses received from Applicant
23-Jan-98	51	Applicant submitted BACT, visibility analysis and health risk assessment to Mojave Desert AQMD
02-Feb-98	61	Applicant submitted worker safety information
02-Feb-98	61	Staff filed report regarding 1/21/98 meeting with Air District, ARB, and EPA concerning inter-basin trading ratio, PSD process
06-Feb-98	65	California Unions For Reliable Energy (CURE) files data requests
06-Feb-98	65	Applicant files PSD application with U.S. EPA
13-Feb-98	72	Applicant submits maps & photos for visual analysis of t-line
17-Feb-98	76	Applicant and Edison signed interconnection study agreement ¹
25-Feb-98	84	Staff sponsored issue workshop at the Victorville City Hall, Conference Room A
27-Feb-98	86	Parties submit first status report to Committee, including responses to matters in Section II of Scheduling Order
03-Mar-98	90	Committee Scheduling and Status Conference
09-Mar-98	96	Requested due date for CURE's Data Requests
16-Mar-98	103	Applicant submits Victor Valley Water District well study {due 2/17; but extension requested until 3/15}, water resources information and environmental impacts from wells
16-Mar-98	103	Applicant submits responses to questions from CDFG {due 2/13; but extension requested until 3/15}
20-Mar-98	107	Applicant submits Offset Proposal to Mojave Desert AQMD
25-Mar-98	112	Parties submit second status report to Committee; request conference if necessary
15-Apr-98	133	Applicant submits transmission system stability analysis ¹
20-Apr-98	138	APCD files Preliminary Determination of Compliance
24-Apr-98	142	Parties submit third status report to Committee; request conference if necessary
01-May-98	149	Edison completes transmission interconnection study ¹
15-May-98	163	File Preliminary Staff Assessment

¹ Status of Interconnection study is uncertain. The dates shown on this schedule are based on information received from the applicant and Edison in early January 1998, and staff is not confident that these dates necessarily represent the agreement reached between the applicant and Edison on February 17, 1998.

ATTACHMENT B
STATUS REPORT ON CALIFORNIA ENERGY COMMISSION STAFF'S DATA REQUESTS
HIGH DESERT POWER PROJECT 97-AFC-1

Data Request No.							
NA	Air Quality	District	Emission Offset Package	20-Mar-98	19-Mar-98		
13	Air Quality	TNgo	Offsets	16-Jan-98	19-Mar-98		Status responses received 1/16.
14	Air Quality	TNgo	Offsets	16-Jan-98	19-Mar-98		Status responses received 1/16.
15	Air Quality	TNgo	Offsets	16-Jan-98	19-Mar-98		Status responses received 1/16.
16	Air Quality	TNgo	Offsets	16-Jan-98	19-Mar-98		Status responses received 1/16.
17	Air Quality	TNgo	Offsets	16-Jan-98	19-Mar-98		Status responses received 1/16.
18	Air Quality	TNgo	Offsets	16-Jan-98	19-Mar-98		Status responses received 1/16.
27	Biological Resources	MSazaki	BRMIP	16-Jan-98	15-Mar-98		Outline received 1/16, draft BRMIP to be provide on or before 3/15.
28	Biological Resources	MSazaki	BRMIP	16-Jan-98	15-Mar-98		Outline received 1/16, draft BRMIP to be provide on or before 3/15.
34	Haz. Mat. Handling	RTyler	Model worst case spill	16-Jan-98	3/28/1998?		Response received 1/16 was incomplete. At the 2/25 workshop applicant agreed to revise the modeling analysis.
43	Project Descrip.	RBuell	Water wells information	16-Jan-98	15-Mar-98		Awaiting information from VVWD
44	Project Descrip.	RBuell	Pipeline for Wells	16-Jan-98	15-Mar-98		Awaiting information from VVWD
45	Project Descrip.	RBuell	Enviro inform. for wells/pipeline	16-Jan-98	15-Mar-98		Pending VVWD study, see # 43-44
68	Water Resources	JOHagan	Well analysis	16-Jan-98	15-Mar-98		Pending VVWD study, see # 43-44
77	Trans. System Eng.	AMcCuen	Stability analysis ¹	16-Jan-98	15-Apr-98		Coordination with Utilities and ISO needed.
89	Dept. Fish & Game	Ms. R. Jones	Estimate of well water use	13-Feb-98	15-Mar-98		Applicant requested extension until 3/15.
90	Dept. Fish & Game	Ms. R. Jones	Will pumped well water be replaced	13-Feb-98	15-Mar-98		Applicant requested extension until 3/15.
91	Dept. Fish & Game	Ms. R. Jones	Proposal for replacement	13-Feb-98	15-Mar-98		Applicant requested extension until 3/15.
92	Dept. Fish & Game	Ms. R. Jones	Transmissivity of the aquifer	13-Feb-98	15-Mar-98		Applicant requested extension until 3/15.
93	Dept. Fish & Game	Ms. R. Jones	Recharge properties of aquifer	13-Feb-98	15-Mar-98		Applicant requested extension until 3/15.
94	Dept. Fish & Game	Ms. R. Jones	Impacts of 8 million gallons per day well water use	13-Feb-98	15-Mar-98		Applicant requested extension until 3/15.
95	Cooling Alternatives	MLayton	Clarification regarding incremental performance	9-Mar-98			

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ATTACHMENT B
STATUS REPORT ON CALIFORNIA ENERGY COMMISSION STAFF'S DATA REQUESTS
HIGH DESERT POWER PROJECT 97-AFC-1

Data Request No.							
96	Cooling Alternatives	MLayton	Performance assumption and calculations	9-Mar-98			
97	Cooling Alternatives	MLayton	Capital Costs assumptions and calculations	9-Mar-98			
98	Cooling Alternatives	MLayton	Comparison assumptions and calculations	9-Mar-98			
99	Cooling Alternatives	MLayton	Energy balance	9-Mar-98			
100	Cooling Alternatives	MLayton	Other prudent methods	9-Mar-98			
101	Cooling Alternatives	MLayton	Chemicals	9-Mar-98			
102	Cooling Alternatives	MLayton	Air emissions	9-Mar-98			
103	Cooling Alternatives	MLayton	Dimensions & land requirements	9-Mar-98			
104	Cooling Alternatives	MLayton	Visible plumes	9-Mar-98			On February 24, applicant objected to providing information other than the worst-case.
105	Cooling Alternatives	MLayton	Noise	9-Mar-98			
106	Cultural Resources	KMatthew	Current parcel map	9-Mar-98			
107	Cultural Resources	KMatthew	Current addresses for the federal entity(ies)	9-Mar-98			
108	Trans. System Eng.	AMcCuen	Interconnection study schedule. ²	16-Mar-98			See footnote #1.
109	Trans. System Eng.	AMcCuen	Interconnection study scope. ²	16-Mar-98			See footnote #1.
110	Trans. System Eng.	AMcCuen	Interconnection study interim results. ²	16-Mar-98			See footnote #1.
111	Visual Resources	GDWalker	Photo reproductions from KOP 17	30-Mar-98			Follow-up data request to responses 53 - 56.
112	Visual Resources	GDWalker	Photo simulations from KOP 17	30-Mar-98			Follow-up data request to responses 53 - 56.
113	Visual Resources	GDWalker	Evaluate impacts on views	30-Mar-98			Follow-up data request to responses 53 - 56.
114	Visual Resources	GDWalker	Discuss mitigation	30-Mar-98			Follow-up data request to responses 53 - 56.
115	Visual Resources	GDWalker	Before photos	30-Mar-98			Follow-up data request to responses 53 - 56.
116	Visual Resources	GDWalker	After simulations	30-Mar-98			Follow-up data request to responses 53 - 56.
117	Alternatives	EAllen	Cooling Water Objective	30-Mar-98			
118	Alternatives	EAllen	South Coast AQMD	30-Mar-98			
119	Alternatives	EAllen	Smaller size projects	30-Mar-98			

² See footnote #1